

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No. D.T.E. 02-24/25
Responses to the Attorney General's Seventh Set of Information Requests

Request No. AG-7-21 (Gas)

Please provide for each customer class (R-1, R-2, R-3, R-4, G-42, etc) for each month during the test year the amount of mandatory capacity assigned related to migrating customers. The details of the capacity assigned (the amount of each specific contract, the rate and the total monthly cost assigned by rate class). Indicate the amount that is assigned to a supplier's pool and the amount that is for individual, daily-metered customers. Summarize the monthly amount and cost of the capacity assigned by supplier (identify the suppliers as "A", "B", etc. - not by name).

Response:

The Gas Division releases capacity to suppliers of migrated customers. With the exception of Company Managed Supplies, Tennessee Gas Pipeline bills those suppliers directly.

Attachment 1 AG 7-21 (Gas) provides the Gas Division's tariff sheets explaining how capacity is assigned.

Attachments 2, 3, and 4 of AG 7-21 (Gas) show the three suppliers, the amount of capacity that was assigned, and charges made by the Gas Division to suppliers. These charges are for Company Managed Supplies. These assignments are made according to the allocations provided in Attachment 5 AG 7-21 (Gas).

Attachment 6 AG 7-21 (Gas) provides the rates for each supply source provided by the Gas Division.

Person Responsible: Karen M. Asbury

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
Fitchburg, Massachusetts

M.D.T.E. No. 109
Cancels M.D.T.E. No. 99

Page 13-1

DISTRIBUTION SERVICE TERMS AND CONDITIONS

13.0 CAPACITY ASSIGNMENT

13.1 Applicability

Section 13.0 of these Terms and Conditions applies to all Suppliers providing Supplier Service to a Customer or Customers taking Daily-Metered or Non-Daily Metered Distribution Service from the Company pursuant to Section 11.0 or 12.0, respectively, of these Terms and Conditions. Section 13.0 shall also apply, to the extent noted herein, to any Customer acting as its own Supplier and taking Daily-Metered or Non-Daily Metered Distribution Service from the Company. The Company will assign and the Supplier shall accept each Customer's pro-rata shares of Capacity, if any, as established in accordance with this Section.

13.2 Identification of Capacity for Assignment

13.2.1 On or before September 1 of each year, the Company shall post on its Website or other such means the Capacity to be made available for assignment to Suppliers on each of twelve Assignment Dates beginning the following October. Such posting shall list, by Gas Service Area, all resource contracts eligible for assignment, the Capacity resource-allocation percentage by load factor, and the associated Capacity cost by load factor. Such posting shall also provide notice of any potential or pending contract change, including known and disclosable contract terminations, that are scheduled to require action by the Company between September 1 of the current year and October 31 of the next year. For capacity assignments occurring November 1, 2000, resource-allocation percentages and resource-allocation costs will be posted by the Company no later than November 1, 2000.

13.2.2 The Company shall post on its Website or other such means notice to Suppliers of any unscheduled contract changes that would affect the Capacity resource-allocation percentage or the associated Capacity cost. The Company will affirmatively notify all Suppliers serving Customers in the Company's system via electronic mail, facsimile or telephone, that such change has been posted. Such posting shall identify the contract under renegotiation and describe the nature of the renegotiation to the extent permitted by applicable confidentiality agreements. Such notice shall also provide an opportunity for Suppliers to comment on the contract under renegotiation. The Company shall further notify Suppliers of the results of such renegotiation no less than 60 days prior to the effective date of the contract change.

Issued by: Mark H. Collin
Treasurer

Filed: December 21, 2001
Effective: February 1, 2002

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
Fitchburg, Massachusetts

M.D.T.E. No. 109
Cancels M.D.T.E. No. 99

Page 13-2

DISTRIBUTION SERVICE TERMS AND CONDITIONS

- 13.2.3 Capacity assigned by the Company may include Company-Managed Supplies that effectuate, at maximum tariff rates or lesser rate paid by the Company, the assignment of certain capacity contracts, including Canadian, Section 7(c) and other contracts that are not assignable to third parties.
- 13.3 Determination of Pro-Rata Shares of Capacity
- 13.3.1 The Company shall establish a Total Capacity Quantity ("TCQ") for each Customer taking Distribution Service. The TCQ represents the total amount of Capacity assignable to a Supplier on behalf of a Customer.
- 13.3.2 For a Customer receiving Default Service on or after November 1, 2000, the TCQ shall be the Customer's estimated Gas Usage on the Peak Day as determined by the Company each October prior to the Customer's enrollment into Supplier Service. The Company shall derive such estimate using a Daily Baseload and a Heating Factor based upon the Customer's historic Gas Usage during the Reference Period, or the best estimates available to the Company should actual Gas Usage information be partially or wholly unavailable.
- 13.3.3 For a Customer receiving only Distribution Service from the Company on February 1, 1999, or who had a written request filed with the Company on or before February 1, 1999 to receive only Distribution Service, the TCQ shall be zero except in cases where the Customer elects to have capacity assigned to its Supplier pursuant to Section 13.10, when the TCQ shall be less than or equal to the Customer's estimated Gas Usage on the Peak Day as determined by the Company. The Company shall derive such estimate using a Daily Baseload and a Heating Factor based upon the Customer's historic Gas Usage during a Reference Period ending in October 1999.
- 13.3.4 For a Customer that has converted from receiving Default Service to receiving only Distribution Service during the period beginning February 2, 1999 through and including March 31, 2000, the TCQ shall be zero until October 31, 2000, when the TCQ shall be changed to equal the Customer's estimated Gas Usage on the Peak Day as determined by the Company. The Company shall derive such estimate using a Daily Baseload and a Heating Factor based upon the Customer's historic Gas Usage during a Reference Period ending in October 1999. In the event that the Customer returns to Default Service prior to November 1, 2000, or if the Customer converts from daily-metered Distribution Service to non-daily-metered Distribution Service prior to November 1, 2000, the TCQ for the Customer shall be changed from zero to equal the Customer's estimated Gas Usage on the Peak Day as established above.

Issued by: Mark H. Collin
Treasurer

Filed: December 21, 2001
Effective: February 1, 2002

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
Fitchburg, Massachusetts

M.D.T.E. No. 109
Cancels M.D.T.E. No. 99

Page 13-3

DISTRIBUTION SERVICE TERMS AND CONDITIONS

- 13.3.5 For a new Customer taking only Distribution Service as its initial service after February 1, 1999, the TCQ shall be zero except in cases where the Customer is a new Customer of record at a meter location where a former Customer of record received firm service from the Company any time during the preceding twenty-four (24) months, when the TCQ established by the Company for the former Customer shall become the TCQ for the new Customer. The Company will reduce said TCQ value for the new Customer upon a demonstration by the new Customer, or its designated representative, that a material and permanent difference between the former Customer's load profile and the new Customer's load profile warrants such a reduction. In the event that Default Service is provided at a new meter location for Gas Usage associated with new construction or an existing structure converting to natural gas service, the TCQ shall be zero, provided that the Customer initiates Supplier Service in accordance with Section 24.5 of these Terms and Conditions within 120 days of gas flow, or within 60 days of gas flow for Customers with volumes of greater than 40,000 therms per year. Upon application by a new Customer, the LDC will provide that Customer with a description of the Customer's service options, a list of Suppliers authorized to provide service on its system and contact information for those Suppliers.
- 13.3.6 Once the Company establishes a TCQ for a Customer pursuant to this Section 13.3, it shall remain in effect for the purpose of determining the Customer's pro-rata shares of Capacity until such time that the Customer returns to Default Service. The Company shall establish a new TCQ value for the Customer pursuant to Section 13.3.2 if the Customer elects to take Supplier Service after returning to Default Service, unless otherwise established herein.
- 13.3.7 Notwithstanding the provisions of Section 13.3.6, where a Customer's TCQ is established on the basis of less than 12-months historical data, the TCQ may be recalculated at the Customer's request, or by request of the Customer's designated representative, upon the collection of 12-months of usage data. In the event that the TCQ established on the basis of 12-months usage data differs significantly from the TCQ initially established, the Company shall adjust the Customer's TCQ to be consistent with the 12-months usage data. Upon request by the Customer, or the Customer's designated representative, the Company shall change a Customer's TCQ where an error has occurred in the calculation of the TCQ or where the Customer, or its designated representative, demonstrates that a material and permanent change in the Customer's load profile warrants such an adjustment in the Customer's TCQ.

Issued by: Mark H. Collin
Treasurer

Filed: December 21, 2001
Effective: February 1, 2002

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
Fitchburg, Massachusetts

M.D.T.E. No. 109
Cancels M.D.T.E. No. 99

Page 13-4

DISTRIBUTION SERVICE TERMS AND CONDITIONS

13.3.8 The Company shall determine the pro-rata shares of Pipeline Capacity, Underground Storage Withdrawal Capacity and Peaking Capacity assignable to a Supplier on behalf of a Customer as the product of the Customer's TCQ times the applicable Capacity Allocators. The Capacity Allocators for each class of Customers billed under the Company's Schedule of Rates shall be set forth annually in Appendix A to these Terms and Conditions.

13.3.9 The Company shall determine the pro-rata share of Underground Storage Capacity assignable to a Supplier on behalf of a Customer consistent with the tariffs governing the associated Underground Storage Withdrawal Capacity.

13.3.10 The Company shall determine the pro-rata shares of Peaking Supply assignable to a Supplier in accordance with Section 16.0 of these Terms and Conditions.

13.4 **Capacity Assignments**

13.4.1 On each Assignment Date, the Company will assign to the Supplier the pro-rata shares of Capacity on behalf of each Customer as determined by the Company in accordance with Sections 13.2, 13.3 and 13.7.

(1) The total amount of Pipeline Capacity, Underground Storage Withdrawal Capacity, Underground Storage Capacity and Peaking Capacity assigned to the Supplier on behalf of the Customers in an Aggregation Pool shall, subject to the provisions of Section 13.4.2, be equal to the cumulative sum of the pro-rata shares of Pipeline Capacity, Underground Storage Withdrawal Capacity and Peaking Capacity for all Customers enrolled in said Aggregation Pool as of five (5) Business Days prior to the Assignment Date.

(2) Whenever the Company assigns incremental Underground Storage Withdrawal Capacity to the Supplier, the Company shall also assign to that Supplier additional Underground Storage Capacity pursuant to Section 13.8.

(3) The Peaking Capacity assigned to the Supplier shall establish the MDPQ for the Aggregation Pool in the Supplier's Service Agreement. In the event that the Company increases a Supplier's MDPQ, the Company shall also assign to that Supplier additional Peaking Supply pursuant to Section 16.0.

13.4.2 Except for the assignment of the initial block of capacity, the Company shall execute capacity assignments in increments of 200 MMBtus. The Supplier shall accept an initial

Issued by: Mark H. Collin
Treasurer

Filed: December 21, 2001
Effective: February 1, 2002

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
Fitchburg, Massachusetts

M.D.T.E. No. 109
Cancels M.D.T.E. No. 99

Page 13-5

DISTRIBUTION SERVICE TERMS AND CONDITIONS

increment of 200 MMBtus of Capacity on the first Assignment Date when the sum of the pro-rata shares of Capacity to be assigned to the Supplier pursuant to Section 13.4.1 is equal to or greater than 150 MMBtus. The Supplier shall accept additional increments of Capacity in blocks of 200 MMBtus on the following Assignment Dates commensurate with any cumulative increase in the sum of pro-rata shares of Capacity assignable to the Supplier that are equal to or greater than 150 MMBtus. Each increment of Capacity accepted by the Supplier shall comprise Pipeline Capacity, Underground Storage Withdrawal Capacity, Underground Storage Capacity and Peaking Capacity in proportion to the cumulative increase of the pro-rata shares of assignable Capacity as established in accordance with Section 13.4.1.

13.4.3 The Supplier shall accept, on behalf of any Customer taking Daily-Metered Distribution Service pursuant to Section 11.0 of these Terms and Conditions, and not combined by the Supplier into an Aggregation Pool under Section 24.6, the assignment of Capacity in the amount equal to the Customer's TCQ, as established pursuant to Section 13.3. Daily-Metered Customers shall be eligible for assignment of Capacity pursuant to the provisions of Section 13.4.2 to the extent that such Customers are combined by a Supplier into an Aggregation Pool within a designated Gas Service Area. In the event that a Customer is acting as its own Supplier, the Company shall assign Capacity to the Customer in an amount equal to the Customer's TCQ, as established pursuant to Section 13.3. In no case, shall a Customer who is acting as its own Supplier be eligible for the assignment of Capacity pursuant to the provisions of Section 13.4.2.

13.5 **Release of Contracts**

13.5.1 With the exception of Company-Managed Supplies, capacity contracts shall be released by the Company to the Supplier, at the maximum tariff rate or lesser rate paid by the Company and including all surcharges, through pre-arranged capacity releases, pursuant to applicable laws and regulations and the terms of the governing tariffs. In lieu of such capacity release, the Supplier may authorize the Company to retain the capacity for management and cost mitigation under the Company's Capacity Mitigation Service pursuant to Section 13.11 of these Terms and Conditions.

13.5.2 Capacity contracts released to a Supplier on an Assignment Date shall be released for a term beginning on the first day of the Month following the Assignment Date through the expiration date of the respective capacity contract being assigned.

13.5.3 The Company reserves the right to adjust releases of Underground Storage Withdrawal Capacity in the event that fifty percent (50%) or more of the total Underground Storage Withdrawal Capacity serving a Gas Service Area has been assigned to Suppliers. Such adjustments may include, but not be limited to, the reassignment of certain Underground

Issued by: Mark H. Collin
Treasurer

Filed: December 21, 2001
Effective: February 1, 2002

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
Fitchburg, Massachusetts

M.D.T.E. No. 109
Cancels M.D.T.E. No. 99

Page 13-6

DISTRIBUTION SERVICE TERMS AND CONDITIONS

Storage Capacity and Underground Storage Withdrawal Capacity as Company-Managed Supplies in order for the Company to maintain operational control over capacity resources associated with system balancing, and/or the retention of specific capacity resources associated with system balancing and the implementation of a balancing charge to offset the associated costs.

In order to provide notice of the potential for such an adjustment, the Company will post information regarding its customer-migration statistics each September 1, including the percentage of Underground Storage Withdrawal Capacity assigned to Suppliers in accordance with this section. To the extent that the Company determines that such adjustment is necessary, based on the level of capacity assigned to Suppliers, the Company shall notify Suppliers of the terms of the proposed adjustment no later than 90 days prior to the implementation of such adjustment.

13.6 **Annual Reassignment of Capacity**

13.6.1 On each Annual Reassignment Date, the Company shall adjust the capacity assignments previously made to a Supplier to conform with the Company's resource and requirements plans. Such previously assigned Capacity shall be replaced by the assignment to the Supplier of the pro-rata shares of the same or similarly situated Capacity on behalf of the Customers enrolled in the Supplier's Aggregation Pools (as of the first day of the Month following the Annual Reassignment Date).

13.6.2 If the reassignment of Underground Storage Withdrawal Capacity requires adjustments to the Underground Storage Capacity previously assigned to a Supplier, the Company shall reassign Underground Storage Capacity to such Supplier, and the Company and the Supplier shall address any associated increments and decrements to inventories in place pursuant to Section 13.8 of these Terms and Conditions.

Issued by: Mark H. Collin
Treasurer

Filed: December 21, 2001
Effective: February 1, 2002

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
Fitchburg, Massachusetts

M.D.T.E. No. 109
Cancels M.D.T.E. No. 99

Page 13-7

DISTRIBUTION SERVICE TERMS AND CONDITIONS

13.6.3 If the reassignment of Peaking Capacity is required by adjustments to the MDPQ for the Supplier's Aggregation Pool, the Company shall reassign Peaking Supply to such Supplier, and the Company and the Supplier shall address any associated increments and decrements to supplies pursuant to Section 16.0 of these Terms and Conditions.

13.7 Recall of Capacity

13.7.1 If the pro-rata shares of Capacity assignable to a Supplier declines because one or more of the Supplier's Customers has returned to Default Service, the Company shall have the right, but not the obligation, to recall from the Supplier the pro-rata shares of Capacity previously assigned to the Supplier on behalf of such Customers. The decision on whether to exercise its capacity-recall rights shall be made by the Company in its sole reasonable discretion subject to the conditions set forth in Section 13.7.2. If the Company elects to recall Capacity from a Supplier pursuant to this Section, such recall shall be made on the first Assignment Date following the effective date of the Customer's return to Default Service.

If the Company elects to recall Underground Storage Withdrawal Capacity from the Supplier pursuant to this Section, the Company shall reduce the Underground Storage Capacity associated with the affected Aggregation Pool in accordance with Section 13.8 of these Terms and Conditions. If the Company elects to reduce the MDPQ in the Supplier Service Agreement, the Company shall reduce the Peaking Supply associated with the affected Aggregation Pool in accordance with Section 16.0 of these Terms and Conditions.

13.7.2 The Company shall, in its sole reasonable discretion, determine whether to exercise its capacity-recall rights pursuant to Section 13.7.1, except in the following circumstances, where the Company shall recall capacity associated with Customers returning to Default Service at the time of the next Assignment Date in accordance with the provisions of Section 24.5 of these Terms and Conditions:

- (1) The Supplier returning said Customers to the Company's Default Service certifies that it is ceasing all business operations in Massachusetts;
- (2) The Supplier returning said Customers to the Company's Default Service certifies that it will no longer offer service to a particular market sector, *i.e.*, residential, small commercial and industrial ("C&I"), medium C&I, and/or large C&I Customers, and therefore, once such Customers are returned to Default Service, the Supplier is not eligible to re-enroll Customers of that type for a minimum time period of one year;

Issued by: Mark H. Collin
Treasurer

Filed: December 21, 2001
Effective: February 1, 2002

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
Fitchburg, Massachusetts

M.D.T.E. No. 109
Cancels M.D.T.E. No. 99

Page 13-8

DISTRIBUTION SERVICE TERMS AND CONDITIONS

- (3) The Supplier demonstrates that it has provided Supplier Service to the Customer for at least 12 consecutive months and that the Capacity to be recalled by the Company has been held by the Supplier, on behalf of the Customer, for a period equal to the sum of one or more 12-month increments. Except that, the Company will recall capacity associated with a Customer who converted from Default Service to receiving only Distribution Service during the period between November 1, 1999 and March 31, 2000, and was assigned Capacity pursuant to sections 13.3 and 13.4 as of November 1, 2000.
- (4) To the extent that the return of Customers to Default Service does not occur pursuant to the conditions set forth in Sections 13.7.2(1), (2) or (3), the Company's discretion to recall Capacity shall be exercised so as to preclude the inappropriate avoidance of Capacity-cost responsibility, while minimizing the potential for inhibiting the routine enrollment, switching and termination of Customers from Supplier Service to Default Service.

13.7.3 In the event that a Customer in a Supplier's Aggregation Pool switches to another Supplier, the Company shall recall from the former Supplier said Customer's pro-rata shares of Capacity for reassignment to the new Supplier pursuant to Section 13.4. There shall be no change in the Customer's TCQ used to determine the Customer's pro-rata shares of Capacity for reassignment to the new Supplier. The recall of such Capacity from the Customer's former Supplier and the assignment of Capacity to the new Supplier shall be made on the Assignment Date following the effective date of the Customer's switch in Suppliers.

If the Company recalls Underground Storage Withdrawal Capacity from the Customer's former Supplier, the Company shall reduce the Underground Storage Capacity associated with the affected Aggregation Pool in accordance with Section 13.8 of these Terms and Conditions. If the Company reduces the MDPQ in the Customer's former Supplier's Service Agreement, the Company shall also reduce the Peaking Supply associated with the affected Aggregation Pool in accordance with Section 16.0 of these Terms and Conditions.

13.7.4 The recall of Capacity by the Company shall entail the recall of released contracts pursuant to governing tariffs, and/or the reduction in assigned quantities set forth in the Supplier's Service Agreement. The recall of Capacity shall be executed in decrements of 200 MMBtus, commensurate with the cumulative reduction in the pro-rata shares of Capacity assignable to the Supplier that is equal to or greater than 150 MMBtus. Each decrement of Capacity assigned to the Supplier shall comprise Pipeline Capacity, Underground Storage Withdrawal Capacity, Underground Storage Capacity, and Peaking

Issued by: Mark H. Collin
Treasurer

Filed: December 21, 2001
Effective: February 1, 2002

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
Fitchburg, Massachusetts

M.D.T.E. No. 109
Cancels M.D.T.E. No. 99

Page 13-9

DISTRIBUTION SERVICE TERMS AND CONDITIONS

Capacity in proportion to the cumulative decrease in the pro-rata shares of Capacity recalled from the Supplier.

- 13.7.5 In the event that a Supplier is declared ineligible to nominate Gas for thirty (30) days pursuant to Sections 11.6.6 or 12.6.3 of these Terms and Conditions, the Company shall have the right to recall any or all Capacity assigned to said Supplier. If the Supplier is reinstated at the end of such 30-day period, the Company shall reassign Capacity to the Supplier on the next Assignment Date pursuant to Section 13.4. There shall be no change in the TCQ values used to determine the Supplier's Customers' pro-rata shares of Capacity for reassignment.
- 13.7.6 In the event that a Supplier is disqualified from service for a one (1) full year pursuant to Sections 11.6.6 or 12.6.3 of these Terms and Conditions, the Company shall recall any or all Capacity assigned to said Supplier. If the Supplier is reinstated at the end of such period, the Company shall reassign Capacity to the Supplier on the next Assignment Date pursuant to Sections 13.4 and 13.5.
- 13.7.7 In the event that the Supplier fails to meet the applicable registration and certification requirements established by law or regulation, fails to satisfy the requirements and practices as set forth in Section 24.3 of these Terms and Conditions, fails to be and remain an approved shipper on the upstream pipelines and underground storage facilities on which the Company will assign capacity, fails to make timely payment under the assigned contracts, or fails to comply with or perform any of the obligations on its part established in these Terms and Conditions or in the Supplier Service Agreement, the Company shall have the right to recall permanently any or all Capacity assigned to said Supplier. This section shall also apply to a Customer acting as its own Supplier.
- 13.7.8 The Supplier shall forfeit its rights to Capacity recalled by the Company pursuant to this section. Such forfeiture shall be effected in accordance with applicable laws and regulations and the governing tariffs. In the event of capacity forfeiture pursuant to this Section, the Supplier shall be responsible to compensate the Company for any payments due under the contracts prior to forfeiture, as well as any interest due thereon. The Company will not exercise discretion in the application of the forfeiture provisions of this Section. This section shall also apply to a Customer acting as its own Supplier.
- 13.8 Underground Storage Capacity
- 13.8.1 On each Assignment Date, the Company shall release Underground Storage Capacity to a Supplier that accepts the assignment of Underground Storage Withdrawal Capacity

Issued by: Mark H. Collin
Treasurer

Filed: December 21, 2001
Effective: February 1, 2002

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
Fitchburg, Massachusetts

M.D.T.E. No. 109
Cancels M.D.T.E. No. 99

Page 13-10

DISTRIBUTION SERVICE TERMS AND CONDITIONS

pursuant to Section 13.4. The Company shall assign such Underground Storage Capacity consistent with the tariffs governing the release of the associated Underground Storage Withdrawal Capacity.

- 13.8.2 If the Company assigns Underground Storage Capacity to a Supplier pursuant to Section 13.8.1 above, the Company shall transfer in-place gas inventories to the Supplier. For incremental assignments, the quantity of incremental inventories to be transferred from the Company to the Supplier shall be determined by multiplying the incremental Underground Storage Capacity assigned to the Supplier on the Assignment Date, times the applicable Storage Inventory Percentage described in Section 13.8.5. The Supplier shall be charged the Company's weighted average cost of inventories in off-system storage facilities for each Dekatherm transferred from the Company to the Supplier. The Company shall post the Company's weighted average cost of inventories, by Gas Service Area, on its Website by the 15th of the Month preceding the next Assignment Date.
- 13.8.3 In the event that the Company recalls Underground Storage Withdrawal Capacity from the Supplier pursuant to Section 13.7, the Company shall also recall Underground Storage Capacity from the Supplier. The Company shall determine the total Underground Storage Capacity to be recalled from the Supplier in accordance with the tariffs governing the Underground Storage Withdrawal Capacity returned to the Company.
- 13.8.4 If the Company recalls Underground Storage Capacity from a Supplier pursuant to Section 13.8.3, the Supplier shall transfer in-place gas inventories to the Company. The quantity of inventories to be transferred from the Supplier to the Company shall be determined by multiplying the decremental Underground Storage Capacity times the applicable Storage Inventory Percentage described in Section 13.8.5. The Supplier shall be reimbursed at the Company's weighted average cost of inventories in the off-system storage facilities serving the applicable Aggregation Pool as of the Assignment Date, for each Dekatherm transferred from the Supplier to the Company. The Company shall post the Company's weighted average cost of inventories, by Gas Service Area, on its Website by the 15th of the Month preceding the next Assignment Date.
- 13.8.5 Underground Storage Inventory Percentages shall be the ratio of the unassigned inventory levels in each storage resource that exists on the Assignment Date and the maximum Underground Storage Capacity of each storage resource less any Underground Storage Capacity previously assigned.
- 13.9 Company-Managed Supplies

Issued by: Mark H. Collin
Treasurer

Filed: December 21, 2001
Effective: February 1, 2002

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
Fitchburg, Massachusetts

M.D.T.E. No. 109
Cancels M.D.T.E. No. 99

Page 13-11

DISTRIBUTION SERVICE TERMS AND CONDITIONS

13. 9.1 The Company shall provide access to and ascribe cost responsibility for the pro-rata shares of certain capacity contracts, including Canadian, Section 7(c) and other contracts that are not assignable to third-parties.
13. 9.2 The Supplier's Service Agreement shall set forth the quantity of each Company-managed Supply assigned to the Supplier pursuant to Sections 13.4 and 13.8.
13. 9.3 The Company shall notify the Supplier of the conditions and/or restrictions on the use of Company-Managed Supplies.
13. 9.4 The Company shall invoice the Supplier for its pro-rata shares of the demand charges for capacity contracts assigned to the Supplier as Company-Managed Supplies. The Company shall also flow through to the Supplier all costs incurred from the utilization of Company-Managed Supplies on behalf of the Supplier.
- 13.9.5 The Company shall nominate quantities to the Delivering Pipeline and/or other interstate pipelines and off-system storage operators on behalf of Suppliers to which the Company has assigned the Company-Managed Supply, provided that the requested nomination conforms to the tariffs governing the resource. The Supplier shall communicate its desired nomination quantities to the Company subject to the provisions in Sections 11.3 and 12.3 of these Terms and Conditions, unless earlier deadlines are required by the applicable contract terms.
- 13.10 Open-Season Capacity Assignments
- A Customer that was either receiving only Distribution Service from the Company on February 1, 1999, or had a written request filed with the Company on or before February 1, 1999 to receive only Distribution Service, may elect for its Supplier to accept the assignment of its pro-rata shares of Capacity as determined by the Company in accordance with Section 13.3. The Customer must have submitted to the Company, on or before the last day of the designated Open Season, a completed application for capacity that is signed by both the Customer and Supplier. All assignments of Capacity made on behalf of such electing Customer shall be executed in accordance with Sections 13.0 and 16.0 of these Terms and Conditions.
- 13.11 Capacity Mitigation Service
- 13.11.1 Capacity Mitigation Service is available to Suppliers that have been assigned capacity pursuant to Section 13.4 of these Terms and Conditions. Such Suppliers shall have the

Issued by: Mark H. Collin
Treasurer

Filed: December 21, 2001
Effective: February 1, 2002

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
Fitchburg, Massachusetts

M.D.T.E. No. 109
Cancels M.D.T.E. No. 99

Page 13-12

DISTRIBUTION SERVICE TERMS AND CONDITIONS

option to take Capacity Mitigation Service from the Company for contracts that would otherwise be released to the Supplier in accordance with Section 13.5 of these Terms and Conditions. Company-Managed Supplies and Peaking Capacity are excluded from the Capacity Mitigation Service.

- 13.11.2 Within five (5) Business Days prior to the Annual Reassignment Date, the Supplier must designate those contracts that would otherwise be released to the Supplier pursuant to Section 13.5, as contracts to be managed by the Company for cost mitigation in accordance with the Company's Capacity Mitigation Service. Such designation will be effective for the period November 1 through October 31. Such notice shall be communicated in accordance with the Supplier's Service Agreement.
- 13.11.3 The Supplier shall pay to the Company the maximum-tariff rate or lesser rate paid by the Company, including all surcharges, for the capacity contracts that are retained and managed by the Company. The Company shall bill the Supplier monthly for such charges.
- 13.11.4 The Company will market capacity contracts designated by Suppliers for mitigation through the Capacity Mitigation Service. The Supplier shall receive a credit on its bill for Capacity Mitigation Service equal to the pro-rata share of the proceeds earned from the marketing of such capacity contracts, less 15 percent, which will be retained by the Company in exchange for such contract management. Such credit shall be determined on a contract-specific basis at the end of each Month, and will be included in the bill sent to the Supplier in the following Month.

Issued by: Mark H. Collin
Treasurer

Filed: December 21, 2001
Effective: February 1, 2002

FGE
Assigned Capacity
in Decatherms

Assigned	Supplier	Company Managed Pipeline	Pipeline	Company Managed Storage	Storage	Peaking	Total
Jan-01	A	0	0	0	0	0	0
Feb-01	A	0	0	0	0	0	0
Mar-01	A	0	0	0	0	0	0
Apr-01	A	0	0	0	0	0	0
May-01	A	0	0	0	0	0	0
Jun-01	A	0	0	0	0	0	0
Jul-01	A	5	81	4	43	67	200
Aug-01	A	5	81	4	43	67	200
Sep-01	A	5	81	4	43	67	200
Nov-01	A	5	79	4	43	69	200
Dec-01	A	5	79	4	43	69	200

Customer	Rate class	Total assignment/customer(1)	Effective Date of Supplier Service	Telemeter
1	G42	9.8	1/16/2001	No
2	G42	10.67	1/16/2001	No
3	G42	10.09	1/16/2001	No
4	G42	9.72	1/16/2001	No
5	G42	8.62	1/16/2001	No
6	G42	9.93	1/16/2001	No
7	G42	9.77	1/16/2001	No
8	G52	9.39	1/16/2001	No
9	G52	9.2	1/16/2001	No
10	G52	9.02	1/16/2001	No
11	G52	8.5	1/16/2001	No
12	G52	8.28	1/16/2001	No
13	G42	55.82	6/11/2001	No
14	G42	26.39	6/27/2001	No
		<hr/> 195.2		

(1) Please refer to 13.4 of Capacity Assignment of Attachment 1 AG-7-21(Gas)

**FGE Charges for company managed and peaking supplies
To supplier A**

Assigned	Company managed Pipeline	Company managed Storage	Peaking	Company managed Supply	Inventory transfer	Total
Jun-01 Demand Commodity					\$ - \$ -	\$ - \$ -
Jul-01 Demand Commodity	72.85 8.66	17.87 -	\$ - \$ -	161.89 281.43	\$ 7,163.31	\$ 7,163.31
Aug-01 Demand Commodity	72.85 8.66	17.15 -	\$ - \$ -	152.86 338.62		\$ 242.86 \$ 347.28
Sep-01 Demand Commodity	72.85 8.38	15.02 -	\$ - \$ -	151.70 268.14		\$ 239.57 \$ 276.52
Oct-01 Demand Commodity	72.81 8.65	15.18 -	\$ - \$ -	152.65 251.12		
Nov-01 Demand Commodity	72.85 15.04	13.56 412.16	\$ 1,371.03 \$ -	150.65 370.74		\$ 1,608.09 \$ 797.94
Dec-01 Demand Commodity	72.81 17.25	15.60 532.34	\$ 1,371.03 \$ -	149.25 283.53		\$ 1,608.69 \$ 833.12

FGE
Assigned Capacity
in Decatherms

Assigned	Supplier	Company Managed Pipeline	Pipeline	Company Managed Storage	Storage	Peaking	Total
Dec-00	B	0	0	0	0	0	0
Jan-01	B	0	0	0	0	0	0
Feb-01	B	0	0	0	0	0	0
Mar-01	B	0	0	0	0	0	0
Apr-01	B	0	0	0	0	0	0
May-01	B	0	0	0	0	0	0
Jun-01	B	0	0	0	0	0	0
Jul-01	B	0	0	0	0	0	0
Sep-01	B	0	0	0	0	0	0
Nov-01	B	5	78	4	43	70	200
Dec-01	B	5	78	4	43	70	200

Customer	Rate class	Total assignment/customer(1)	Effective Date of Supplier Service	Telemeter
1	G42	106.75	10/29/2001	No
2	G42	49.18	10/29/2001	No
		<u>155.93</u>		

(1) Please refer to 13.4 of Capacity Assignment of Attachment 1 AG-7-21(Gas)

**FGE Charges for company managed and peaking supplies
To supplier B**

Assigned	Company managed Pipeline	Company managed Storage	Peaking	Company managed Supply	Inventory transfer	Total
Oct-01 Demand Commodity						
Nov-01 Demand Commodity	72.85 \$ 15.04 \$	13.61 412.16	\$ 1,390.90 \$ -	150.65 370.74	\$ 13,795.90 \$ 2,436.56	\$ - \$ 1,628.01 \$ 3,234.50
Dec-01 Demand Commodity	72.81 \$ 17.25 \$	15.65 532.34	\$ 1,390.90 \$ -	149.25 283.53		\$ 1,628.61 \$ 833.12

FGE
Assigned Capacity
in Decatherms

Assigned	Supplier	Company Managed Pipeline	Pipeline	Company Managed Storage	Storage	Peaking	Total
Jan-01	C	26	403	13	139	219	800
Feb-01	C	26	403	13	139	219	800
Mar-01	C	26	403	13	139	219	800
Apr-01	C	26	403	13	139	219	800
May-01	C	26	403	13	139	219	800
Jun-01	C	46	704	24	243	383	1400
Jul-01	C	46	704	24	243	383	1400
Aug-01	C	46	704	24	243	383	1400
Sep-01	C	52	794	27	283	444	1600
Oct-01	C	52	794	27	283	444	1600
Nov-01	C	58	896	31	316	499	1800
Dec-01	C	57	876	31	324	512	1800

Telemeter

Effective Date
of assignment

Rate class: Total assignment/customer(1)

Customer	Rate class: Total assignment/customer(1)	Effective Date of assignment	Telemeter
1	G43 54.74	11/1/2000	Yes
2	G53 199.52	11/1/2000	Yes
3	G53 69.7	11/1/2000	Yes
4	G52 9.21	6/18/2001	No
5	G52 21.7	7/13/2001	No
6	G52 10.09	8/23/2001	No
7	G42 40.72	8/29/2001	No
8	G42 26.37	8/29/2001	No
9	G42 23.02	8/29/2001	No
10	G42 32.22	9/4/2001	No
11	G52 9.23	9/4/2001	No
12	G42 16.44	9/19/2001	No
13	G42 44.4	9/22/2001	No
14	G41 3.24	10/11/2001	No
15	G42 103.62	10/29/2001	No
16	G43 130.92	11/28/2001	No
17	G42 23.52	11/30/2001	No
18	G41 2.03	12/1/2001	No
	<u>820.69</u>		

(1) Please refer to 13.4 of Capacity Assignment of Attachment 1 AG-7-21(Gas)

**FGE Charges for company managed and peaking supplies
SUPPLIER-C**

Assigned	Company managed Pipeline	Company managed Storage	Peaking	Company managed Supply	Inventory transfer	Total
Jan-01						
Demand	\$ 332.41	\$ 49.44	\$ 5,425.30	\$ 245.25		\$ 6,052.40
Commodity	\$ 80.11	\$ 1,863.43	\$ 1,169.05	\$ 4,387.47		\$ 7,500.06
Feb-01						
Demand	\$ 328.55	\$ 47.47	\$ 5,425.30	\$ 758.16		\$ 6,559.48
Commodity	\$ 67.10	\$ 1,492.10	\$ 205.20	\$ 3,422.13		\$ 5,186.53
Mar-01						
Demand	\$ 328.55	\$ 52.68	\$ 5,425.30	\$ 744.73		\$ 6,551.26
Commodity	\$ 61.92	\$ 1,062.47	\$ -	\$ 3,063.26		\$ 4,187.65
Apr-01						
Demand	\$ 328.55	\$ 51.77	\$ 5,425.30	\$ 759.35		\$ 6,564.97
Commodity	\$ 41.92	\$ -	\$ 3,773.00	\$ 2,635.07		\$ 6,449.99
May-01						
Demand	\$ 328.55	\$ 60.80	\$ 5,425.30	\$ 760.51		\$ 6,575.16
Commodity	\$ 43.32	\$ -	\$ 609.70	\$ 2,517.10	\$ 12,892.88	\$ 16,063.00
Jun-01						
Demand	\$ 594.06	\$ 106.14	\$ 9,153.70	\$ 1,442.74		\$ 11,296.64
Commodity	\$ 77.14	\$ -	\$ 108.40	\$ 3,599.74		\$ 3,785.28
Jul-01						
Demand	\$ 594.06	\$ 104.84	\$ (14,579.00)	\$ 1,489.35		\$ (12,390.75)
Commodity	\$ 79.71		\$ 756.00	\$ 2,589.15		\$ 3,424.86
Aug-01						
Demand	\$ 594.06	\$ 100.54	\$ -	\$ 1,406.33		\$ 2,100.93
Commodity	\$ 79.71	\$ -	\$ -	\$ 3,115.30	\$ 11,168.82	\$ 14,363.83
Sep-01						
Demand	\$ 670.77	\$ 100.39	\$ -	\$ 1,577.64		\$ 2,348.80
Commodity	\$ 87.20	\$ -	\$ -	\$ 2,788.74		\$ 2,875.94
Oct-01						
Demand	\$ 670.50	\$ 101.50	\$ -	\$ 1,587.52		\$ 2,359.52
Commodity	\$ 89.95	\$ -	\$ -	\$ 2,611.65	\$ 10,589.40	\$ 13,291.00
Nov-01						
Demand	\$ 753.43	\$ 104.26	\$ 9,915.13	\$ 1,747.50		\$ 12,520.32
Commodity	\$ 152.93	\$ 3,451.73	\$ 3,524.25	\$ 4,300.68		\$ 11,429.59
Dec-01						
Demand	\$ 743.31	\$ 121.85	\$ 10,173.44	\$ 1,701.41		\$ 12,740.01
Commodity	\$ 176.02	\$ 4,791.19	\$ 5,312.16	\$ 3,232.25	\$ 8,023.92	\$ 21,535.54

Capacity Assignment Variables Jan 1,2001 to Oct,31, 2001

Rate Class	Pipeline	Storage	Peaking
G41 LLF	40.0%	25.0%	35.0%
G42 LLF	40.0%	25.0%	35.0%
G43 LLF	40.0%	25.0%	35.0%
R3 LLF	40.0%	25.0%	35.0%
R4 LLF	40.0%	25.0%	35.0%
G51 HLF	56.0%	18.0%	26.0%
G52 HLF	56.0%	18.0%	26.0%
G53 HLF	56.0%	18.0%	26.0%
R1 HLF	56.0%	18.0%	26.0%
R2 HLF	56.0%	18.0%	26.0%

Capacity Assignment Variables Nov 1,2001 to Dec 31, 2001

Rate Class	Pipeline	Storage	Peaking
G41 LLF	38.0%	25.0%	37.0%
G42 LLF	38.0%	25.0%	37.0%
G43 LLF	38.0%	25.0%	37.0%
R3 LLF	38.0%	25.0%	37.0%
R4 LLF	38.0%	25.0%	37.0%
G51 HLF	59.0%	17.0%	24.0%
G52 HLF	59.0%	17.0%	24.0%
G53 HLF	59.0%	17.0%	24.0%
R1 HLF	59.0%	17.0%	24.0%
R2 HLF	59.0%	17.0%	24.0%

The above table shows the percentage of resources a third party shipper receives for each rate class it serves.

Rates for each supply source provided by FGE
All charges are based on a per Decatherm charge

	Demand company Managed Supply	Commodity company Managed Supply	Demand company Managed Transport from zone 5-6	Variable commodity company Managed Transport from zone 5-6	Commodity rate for portion per Decatherm of storage	Demand rate for withdrawal of company managed Storage	Commodity rate of withdrawal of Storage
Jan-01	\$29.20	\$7.26	\$9.81	\$0.06	\$0.0140	\$1.8549	\$0.0235
Feb-01	\$30.33	\$4.79	\$9.81	\$0.06	\$0.0140	\$1.8549	\$0.0235
Mar-01	\$29.79	\$3.87	\$9.81	\$0.06	\$0.0140	\$1.8549	\$0.0235
Apr-01	\$30.76	\$3.44	\$9.81	\$0.06	\$0.0140	\$1.8549	\$0.0480
May-01	\$30.81	\$3.18	\$9.81	\$0.06	\$0.0140	\$1.8549	\$0.0480
Jun-01	\$31.36	\$2.56	\$9.81	\$0.06	\$0.0140	\$1.8549	\$0.0480
Jul-01	\$32.38	\$1.78	\$9.81	\$0.06	\$0.0140	\$1.8549	\$0.0480
Aug-01	\$30.57	\$2.14	\$9.81	\$0.06	\$0.0140	\$1.8549	\$0.0480
Sep-01	\$30.34	\$1.75	\$9.81	\$0.06	\$0.0140	\$1.8549	\$0.0480
Oct-01	\$30.53	\$1.59	\$9.81	\$0.06	\$0.0140	\$1.8549	\$0.0480
Nov-01	\$30.13	\$2.42	\$9.81	\$0.06	\$0.0143	\$1.8627	\$0.0178
Dec-01	\$29.85	\$1.79	\$9.81	\$0.06	\$0.0143	\$1.8627	\$0.0178

	Commodity rate of injection of Storage	Demand rate of transport from company managed Storage	Commodity rate of transport of the company managed storage	Commodity rate of gas taken from Company managed storage	Peaking Commodity Rate	Demand for Peaking	Commodity rate Assignment of storage
Jan-01	\$0.0246	\$5.9500	\$0.0926	\$4.8100	\$5.1500	\$23.9000	\$4.2600
Feb-01	\$0.0246	\$5.9500	\$0.0926	\$4.8100	\$5.4000	\$23.9000	\$4.2800
Mar-01	\$0.0246	\$5.9500	\$0.0857	\$4.7900	\$5.5800	\$23.9000	\$4.2200
Apr-01	\$0.0519	\$5.9500	\$0.0857	\$4.7900	\$5.3900	\$23.9000	\$4.2200
May-01	\$0.0519	\$5.9500	\$0.0559	\$4.7900	\$4.6900	\$0.0000	\$4.2200
Jun-01	\$0.0519	\$5.9500	\$0.0559	\$5.4900	\$5.4200	\$0.0000	\$5.0600
Jul-01	\$0.0519	\$5.9500	\$0.0559	\$5.5400	\$5.4000	\$0.0000	\$5.4000
Aug-01	\$0.0519	\$5.9500	\$0.0559	\$5.5700	\$5.3300	\$0.0000	\$5.5900
Sep-01	\$0.0519	\$5.9500	\$0.0559	\$5.6400	\$5.2000	\$0.0000	\$5.5900
Oct-01	\$0.0519	\$5.9400	\$0.0559	\$5.6000	\$5.5800	\$0.0000	\$5.3700
Nov-01	\$0.0519	\$5.9500	\$0.0926	\$5.6000	\$5.5500	\$19.8700	\$5.3000
Dec-01	\$0.0519	\$5.9400	\$0.0925	\$5.6000	\$5.5800	\$19.8700	\$5.3200